

BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PUBLIC HEARING ON
ARM 42.18.121, 42.18.122,)	PROPOSED AMENDMENT AND
42.18.124, 42.18.128, 42.18.134,)	REPEAL
42.18.135, and 42.18.136 and the)	
repeal of ARM 42.18.107, 42.18.110,)	
42.18.113, 42.18.116, 42.18.120,)	
42.18.130, and 42.18.131 pertaining)	
to the Montana reappraisal plan)	

TO: All Concerned Persons

1. On November 12, 2014, at 1 p.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Area Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed amendment and repeal of the above-stated rules. The conference room is most readily accessed by entering through the east doors of the building.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the department of the nature of the accommodation needed, no later than 5 p.m. on November 3, 2014. Please contact Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

42.18.121 ADOPTION OF THE MONTANA APPRAISAL MANUAL
MONTANA REAPPRAISAL PLAN AND MANUALS (1) For each reappraisal period the department shall develop and adopt the Montana Appraisal Manual Montana Reappraisal Plan, the Montana Agricultural Land Classification Manual, and the Montana Forest Land Classification Manual to be used during the reappraisal cycle. The Montana Appraisal Manual plan and manuals will be used for valuing residential land and improvements, commercial land and improvements, and industrial land and improvements, new construction, and use changes, agricultural land, and forest land.

(2) The Montana Appraisal Manual plan and manuals provides details provide detail on the valuation processes the department uses.

(3) The Montana Appraisal Manual incorporates plan and manuals incorporate the department's duties as provided in 15-1-701 through 15-7-103, MCA, and the department shall consider the manual them when performing these duties.

(4) The Montana Appraisal Manual plan and manuals shall guide department appraisers in the application of approved appraisal practices, including but not

limited to the three approaches to property valuation: market, cost, and income.

(5) The publication date and use for each is set forth in ARM 42.18.122.

AUTH: 15-1-201, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.121 to set forth the current name and publication date of the department's reappraisal plan and to include the names and publication dates of the manuals the department's appraisal staff uses to classify and value agricultural and forest land. The current language refers only to the plan for valuing residential, commercial, and industrial properties. The title of the rule is proposed to be revised to better reflect the content of the rule as amended.

42.18.122 MONTANA APPRAISAL MANUAL- RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL 2015-2020 MONTANA REAPPRAISAL PLAN AND MANUALS (1) The Montana Appraisal Manual as adopted on August 25, 2010, shall be known as the 2008 Montana Appraisal Manual For the reappraisal cycle beginning January 1, 2015, and ending December 31, 2020, the department will use the plan and manuals identified in this rule to value:

- (a) residential land and improvements;
- (b) commercial land and improvements;
- (c) industrial land and improvements;
- (d) new residential, commercial, and industrial construction;
- (e) changes in use of land or improvements;
- (f) agricultural land; and
- (g) forest land.

(2) For the reappraisal cycle beginning January 1, 2009, and ending on December 31, 2014, the The department shall use the 2008 Montana Appraisal Manual 2015-2020 Montana Reappraisal Plan, adjusted for local conditions, for valuing residential land and improvements, commercial land and improvements, industrial land and improvements, and new construction published on October 10, 2014, to value residential, commercial, and industrial land and improvements.

(3) If the 2008 Montana Appraisal Manual 2015-2020 Montana Reappraisal Plan does not provide information necessary to value a specific property, the department shall use other construction cost manuals with a publication date as close to the 2008 Montana Appraisal Manual 2015-2020 Montana Reappraisal Plan as possible, such as Marshall Valuation Service, Richardson Engineering Services, Inc., or R.S. Means Company, Inc. The cost base schedules set out in those publications will be considered to reflect January 1, 2014, cost information.

(3) The department shall use the 2015-2020 Montana Agricultural Land Classification Manual, published on October 10, 2014, to value agricultural land.

(a) Current land use classification, productivity levels, and assessed values per acre are adopted in ARM 42.20.660, 42.20.665, 42.20.670, 42.20.675, and 42.20.680.

(b) Taxable values for each land use classification and productivity level will be phased in pursuant to 15-7-111, MCA, and ARM 42.20.503.

(4) The department shall use the 2015-2020 Montana Forest Land Classification Manual, published on October 10, 2014, to value forest land.

(a) Current land use classification, productivity levels, and assessed values per acre are adopted in ARM 42.20.705, 42.20.710, 42.20.715, 42.20.720, 42.20.725, and 42.20.730.

(b) Taxable values for each land use classification and productivity level will be phased in or phased down pursuant to 15-7-111, MCA, and ARM 42.20.503.

(4)(5) Copies of the 2008 Montana Appraisal Manual The 2015-2020 reappraisal plan and manuals may be reviewed in the department's field offices, at the central office at 125 North Roberts Street, Helena, Montana, or on the department's web site at <http://revenue.mt.gov/publications> revenue.mt.gov/home/property/resources-laws-rules.

(5) and (6) remain the same, but are renumbered (6) and (7).

(7)(8) This rule applies to tax years January 1, 2009 2015, through December 31, 2014 2020.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.122 to identify the reappraisal plan and manuals the department will use to value property during the upcoming reappraisal cycle that begins on January 1, 2015, and runs through December 31, 2020, and to update the web address at which those manuals are published. The title of the rule is also proposed to be revised to better reflect the content of the rule as amended.

42.18.124 CLARIFICATION OF VALUATION PERIODS (1) In compliance with 15-7-103, MCA:

(a) and (b) remain the same.

(c) For the taxable years from January 1, 2015, through December 31, 2020, all property classified in 15-6-134, MCA, (class four) must be appraised at its market value as of January 1, 2014.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-6-134, 15-7-103, 15-7-111, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.124 to include information regarding the upcoming reappraisal cycle which begins on January 1, 2015, and runs through December 31, 2020.

42.18.128 DEFINITIONS The following definitions apply to terms used in this subchapter:

(1) remains the same.

(2) "CAMA" means the Computer Assisted Mass Appraisal (System), system which is the computer software the department uses to administer and value real and personal property.

(3) through (5) remain the same.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, 15-7-112, 15-7-139, 15-9-101, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.128 as a matter of housekeeping to include personal property in the definition for CAMA. The department uses the CAMA system to administer and value both real and personal property, and the proposed amendment will add that clarity.

42.18.134 2015 RESIDENTIAL AND COMMERCIAL REAPPRAISAL PLAN

(1) through (9) remain the same.

(10) This rule applies to tax years January 1, 2015, through December 31, ~~2021~~ 2020.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, 15-7-112, 15-7-201, 15-9-101, 15-44-103, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.134 to correct a date error in (10).

42.18.135 2015 AGRICULTURAL AND FOREST LANDS REAPPRAISAL PLAN (1) and (2) remain the same.

(3) This rule applies to tax years January 1, 2015, through December 31, ~~2021~~ 2020.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, 15-7-112, 15-7-201, 15-9-101, 15-44-103, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.135 to correct a date error in (3).

42.18.136 2015 INDUSTRIAL PROPERTY REAPPRAISAL (1) and (2) remain the same.

(3) This rule applies to tax years January 1, 2015, through December 31, ~~2021~~ 2020.

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes amending ARM 42.18.136 to correct a date error in (3).

4. The department proposes to repeal the following rules:

42.18.107 2009 MONTANA REAPPRAISAL PLAN

AUTH: 15-1-201, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.107 because the rule becomes outdated with the onset of the upcoming reappraisal cycle. The current and relevant information for the 2015 reappraisal plan is located in ARM 42.18.133.

42.18.110 2009 RESIDENTIAL REAPPRAISAL PLAN

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.110 because the rule becomes outdated with the onset of the upcoming reappraisal cycle. The current and relevant information for the upcoming 2015 residential reappraisal plan is located in ARM 42.18.134.

42.18.113 2009 COMMERCIAL REAPPRAISAL PLAN

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.113 because the rule becomes outdated with the onset of the upcoming reappraisal cycle. The current and relevant information for the upcoming 2015 commercial reappraisal plan is located in ARM 42.18.134.

42.18.116 2009 AGRICULTURAL/FOREST LAND AND IMPROVEMENTS REAPPRAISAL PLAN

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.116 because the rule becomes outdated with the onset of the upcoming reappraisal cycle. The current and relevant information for the upcoming 2015 agricultural/forest land reappraisal plan is located in ARM 42.18.135.

42.18.120 CERTIFICATION AND TRAINING REQUIREMENTS

AUTH: 15-1-201, MCA

IMP: 15-7-107, 15-7-111, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.120 as a matter of housekeeping. ARM 42.18.205 through 42.18.208 provide detailed certification requirements which make this rule redundant and unnecessary.

42.18.130 PURPOSE OF THE 2015 REAPPRAISAL PLAN

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-111, 15-7-112, 15-9-101, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.130 as a matter of housekeeping. ARM 42.18.133 through 42.18.136 provide all necessary details and specifics for the upcoming 2015 reappraisal cycle which make this rule redundant and no longer necessary.

42.18.131 SPECIFIC OBJECTIVES OF THE 2015 REAPPRAISAL

AUTH: 15-1-201, 15-7-111, MCA

IMP: 15-7-101, 15-7-111, 15-7-112, 15-9-101, MCA

REASONABLE NECESSITY: The department proposes repealing ARM 42.18.131 as a matter of housekeeping. ARM 42.18.133 through 42.18.136 provide the necessary details and specifics for the upcoming 2015 reappraisal cycle which makes this rule redundant and no longer necessary.

5. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov and must be received no later than November 20, 2014.

6. Laurie Logan, Department of Revenue, Director's Office, has been designated to preside over and conduct this hearing.

7. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding a particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in 5 above or faxed to the office at (406) 444-3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

8. An electronic copy of this notice is available on the department's web site at revenue.mt.gov. Select the Administrative Rules link under the Other Resources section located in the body of the homepage, and open the Proposal Notices section within. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. While the department also strives to keep its

web site accessible at all times, in some instances it may be temporarily unavailable due to system maintenance or technical problems.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment and repeal of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Laurie Logan

Laurie Logan
Rule Reviewer

/s/ Mike Kadas

Mike Kadas
Director of Revenue

Certified to the Secretary of State October 14, 2014